

**NOTICE OF PUBLIC HEARING  
BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

**PROPOSED AMENDMENTS TO DISTRICT REGULATION 3: FEES AND  
APPROVAL OF THE FILING OF A NOTICE OF EXEMPTION FROM CEQA**

Notice is hereby given that the Board of Directors of the Bay Area Air Quality Management District will conduct a public hearing on April 18, 2018, in the 1<sup>st</sup> floor Board Room, 375 Beale Street, San Francisco, California, at 9:45 a.m., or as soon thereafter as the matter may be heard, to receive testimony on proposed amendments to District Regulation 3: Fees.

Notice is also given that the Board of Directors will conduct a second public hearing on June 6, 2018, or as soon thereafter as the matter may be heard, to consider adoption of the proposed amendments to Regulation 3: Fees and to approve the filing of a Notice of Exemption from CEQA. California Health and Safety Code Section 41512.5 requires a district board, prior to adopting or revising fees applicable to emission sources that are not permitted, to hold a public hearing at least 30 days prior to the meeting of the district board at which the fees are adopted or revised. Fee Schedules L, Q, R, S, U, and V pertain to fees from these sources.

The proposed amendments to the District's fee regulation would be effective on July 1, 2018 and would increase fee revenue to allow the District to meet budgetary needs for the upcoming fiscal year ending (FYE) 2019.

The fee rates in the following Fee Schedules would be amended as follows: (1) 3.1% increase: Schedule B: Combustion of Fuels, , Schedule M: Major Stationary Source Fees, Schedule S: Naturally Occurring Asbestos Operations, and Schedule V: Open Burning; (2) 7% increase: Schedule F: Misc. Sources (storage silos, abrasive blasting), Schedule G-3: Misc. Sources (metal melting, cracking units), Schedule P: Major Facility Review Fees, and Schedule T: Greenhouse Gas Fees; (3) 8% increase: Schedule D: Gasoline Transfer at Gasoline Dispensing Facilities, Bulk Plants & Terminals; (4) 9% increase: Schedule E: Solvent Evaporating Sources, Schedule G-1: Misc. Sources (glass manufacturing, soil remediation), and Schedule H: Semiconductor and Related Operations; (5) 15% increase: Schedule A: Hearing Board Fees, Schedule G-2: Misc. Sources (asphaltic concrete, furnaces), Schedule G-4: Misc. Sources (cement kilns, sulfur removal & coking units, acid manufacturing), Schedule I: Dry Cleaners, Schedule K: Solid Waste Disposal Sites, and Schedule R: Equipment Registration Fees. The following specific fees in Regulation 3 would be increased by 3.1%: New and modified source filing fees, Transfer fees, Emissions banking filing and withdrawal fees, Regulation 2, Rule 9 Alternative Compliance Plan fees, School public notice fees, Toxic inventory maximum fees, Permit to operate renewal processing fees, and Exemption fees.

In addition, the following additional amendments are proposed: (1) Revise Section 3-302 to specify the fee rates applied. The fee rates applied are those in force when the applicant has provided all the information required per 2-1-402 (excluding 2-1-402.3 fees) to evaluate the project; (2) Revise Section 3-342 to add Health Risk Assessment (HRA) review fees to recover the Air District's costs of reviewing HRAs completed by District-approved consultants as required pursuant to Regulation 11, Rule 18: Reduction

of Risk from Air Toxic Emissions at Existing Facilities; (3) Revise Section 3-405 to reduce fees charged to facilities that are more than 30 days late on paying their permit renewal invoice. Historically, these delinquent fees have been incurred at a disproportionately high frequency by small businesses such as gasoline dispensing facilities, dry cleaners, and auto body shops. To reduce this burden on small businesses, the proposed amendment would lower this delinquent fee from 50% to 25%; (4) Add Section 3-418 to authorize the Air Pollution Control Officer to reduce the fees for transactions using the Air District's online production system. This would help to serve as an incentive for facilities to conduct these transactions online; (5) Revise Fee Schedule E: Solvent Evaporating Sources, to directly calculate the fee based on the net amount of organic solvent processed; (6) Clarify in Schedule G-1 that Sub-Slab Depressurization Equipment is subject to Schedule F permit fees, not Schedule G-1 permit fees; (7) Delete the formula for  $S_L$  and its variables and definitions from Schedule N; and (8) Clarify in Schedule P that Initial Fees do not apply to Title V Renewal applications.

The District has determined that these amendments to Regulation 3 are exempt from provisions of the California Environmental Quality Act (Public Resources Code Section 21000 et seq.) pursuant to State CEQA Guidelines, Sections 15061, subd. (b)(3) and 15273. The amendments increase District fees that are used to meet District operating expenses. The amendments are administrative in nature, do not affect air emissions from any sources, and have no possibility of causing significant environmental effects. The District intends to file a Notice of Exemption pursuant to State CEQA Guidelines, Section 15062.

A copy of the proposed amendments may be viewed on the District's website at [www.baaqmd.gov/reg3](http://www.baaqmd.gov/reg3). Copies are also available by calling the Engineering Division at (415) 749-4990. Staff will accept written comments on the proposed amendments until May 9, 2018. Please direct comments or questions to Barry G. Young, Senior Advanced Projects Advisor, at (415) 749-4721, or electronically at [byoung@baaqmd.gov](mailto:byoung@baaqmd.gov).

Jack P. Broadbent  
Executive Officer  
Bay Area Air Quality Management District